



COUNTY OF LOS ANGELES  
Internal Services Department

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Dave Lambertson  
Director

*To enrich lives through effective and caring service.*

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November 10, 2005

To: Each Supervisor

From: Dave Lambertson, Director  
Internal Services Department

Subject: **SOUTHERN CALIFORNIA EDISON RATE (SCE) INCREASE**

ISD has been notified that SCE will be implementing a significant electric rate increase possibly as early as January 2006. SCE will be seeking as much as a 15% increase on current rates for all customers. This increase will reflect SCE's higher costs of procuring energy based on current and forecasted natural gas prices. Since 2002, natural gas prices have gradually risen to historic, high levels due to ongoing national supply and demand problems. Recent market prices increased dramatically due to the Gulf Coast hurricanes.

ISD anticipated that most of these fuel related rate increases would be implemented during fiscal year 2006-07, consistent with the schedule for SCE's other ongoing rate proceeding (2006 General Rate Case) which seeks an additional 10% to 15% on current rates for delivery system operating costs (lines and wires). The 2006 General Rate Case would implement increases in the fall of 2006 and after the procedural hearing process. The most current natural gas price situation no doubt influenced SCE's decision to move up the schedule for recovering fuel cost increases.

ISD will be working with the CAO to update the current year utilities budget to reflect these increased costs. If you have any questions, please contact me or have your staff contact Howard Choy of our Energy Management Division at (323) 881-3939.

DL:HC:g

c: Chief Administrative Officer  
Department Heads  
ISD Board Deputies